

Talking Points

I'm calling to urge support for the Kuehl-Ridley-Thomas Housing & Homelessness motion.

The housing crisis in the county is unprecedented and getting worse.

As a business owner, I am concerned not only about the moral implications of how we let people live but also about the effects on the economy of having so many people living on the streets, the drain on public resources it creates, and the difficulty many of our employees have finding a decent home close to work.

Only a major investment of funding has any hope of turning it around. Half measures won't do much.

The County needs to take the opportunity to make the investment.

It is our understanding that the amount of new funds the County receives from the former redevelopment agencies is growing each year, and that in 2020-21, the County is projected to receive \$300 million in new RDA funds. We also know that revenues from property and sales taxes are up.

Running a business, we have to make decisions about when to make new investments and when not to. And there are always risks and uncertainties.

This is the time to make a big investment in something that is direly needed, will leverage billions of dollars in other funds into the county, and will make county services operate more efficiently.

Here is the proposed allocation in the motion as it relates to the budget:

Background: In 2009, redevelopment agencies throughout the County allocated about \$270 million per year for affordable housing. Thus, the loss of redevelopment meant the loss of \$270 million in annual funds for affordable housing.

In 2014-15, the County received about \$153 million in funds that formerly went to the redevelopment agencies. Up to now, the funding the County receives has been growing at a rate of about \$20 million per year. In 2020-2021, the projects County will receive \$300 million from the RDA funds. In addition, revenues from the property and sales taxes are all up significantly.

The hiccup in the motion came when the CEO said that the County had allocated \$140 million of the RDA funds per year for the next five years for raises for County workers. The motion's allocation is still less than the projected growth of RDA funds even with the \$140 million taken out. For instance, by 2016-17, the County should be receiving at least \$190 million in former RDA funds, plenty to cover the \$140 million raises plus the \$20 million housing allocation.

The Motion's Allocation: The motion proposes the following new money for affordable development:

1. For 2016-17 -- \$20 million
2. For 2017-18 -- \$40 million
3. For 2018-19 -- \$60 million
4. For 2019-20 -- \$80 million
5. For 2020-21 -- \$100 million -- the investment would stay at \$100 million into the future.